

OFFICE OF THRIFT SUPERVISION

Approval of Voluntary Dissolution and Sale of Assets and Transfer of Liabilities

Order No.: 2001-77

Date: December 14, 2001

Re: OTS No. 7192

Schuylkill Savings and Loan Association, Schuylkill Haven, Pennsylvania (Association), a federally chartered mutual savings association, has applied to the Office of Thrift Supervision (OTS), pursuant to 12 U.S.C. § 1828(c) and 12 C.F.R. § 563.22(c) for the sale of substantially all of its assets and the transfer of certain of its liabilities, including all of its deposit liabilities. In addition, the Association has submitted a plan of voluntary dissolution to the OTS for approval pursuant to 12 C.F.R. § 546.4. (The foregoing are collectively referred to as the Applications.)

The Association's Plan of Voluntary Dissolution (Plan) provides, among other things, for: (a) the sale of substantially all of the Association's assets to and the transfer of certain of its liabilities (including all of its deposit liabilities) to First Federal Bank, Hazleton, Pennsylvania; (b) the payment or other satisfaction of the Association's remaining liabilities; and (c) the dissolution and termination of the Association's corporate existence.

OTS has considered the Applications under the standards set forth in 12 U.S.C. § 1828(c) and 12 C.F.R. §§ 546.4 and 563.22. OTS has also reviewed the proxy soliciting materials for the proposed special meeting of members to vote on the Plan. In addition, OTS has considered a digest from the OTS Northeast Regional Office, an analysis prepared by Examination Policy, and a legal opinion from the Business Transactions Division (collectively, the Staff Memoranda). For the reasons set forth in the Staff Memoranda, the applications satisfy the applicable approval standards, provided that the following conditions are complied with in a manner satisfactory to the Northeast Regional Director, or his designee (Regional Director). Accordingly, the Applications are hereby approved, subject to the following conditions:

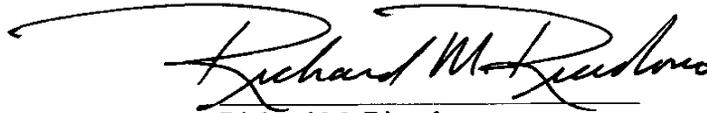
1. The Association must receive all required regulatory and member approvals with copies of all such approvals provided to the Regional Director;
2. Promptly after the special meeting of members of the Association to vote on the adoption of the Plan, the Association must submit to the Regional Director one original and six conformed copies of the certification of the member vote, including the number of members voting, the total number of votes cast and the number and percentage of votes for, against, or abstaining on the proposed adoption of the Plan;

3. The Association must consummate the proposed transaction within one hundred and twenty (120) calendar days of the date of this Order;
4. On the business day prior to the date of consummation of the proposed transaction, the chief financial officer of the Association must certify in writing to the Regional Director that no material adverse events or material adverse changes have occurred with respect to the financial condition or operation of the Association as disclosed in the Applications. If additional information having a material adverse bearing on any feature of the Applications is brought to the attention of the Association or OTS since the date of the financial statements submitted with the Applications, the transaction must not be consummated unless the information is presented to the Regional Director, and the Regional Director provides written non-objection to the consummation of the transaction;
5. Upon consummation of the proposed sale and transfer transaction (Effective Date), the Association must discontinue its savings and loan business operations and must not accept deposits, make loans, or conduct any of the normal activities of a savings association and must engage only in business activities described in the Plan or that are otherwise necessary to effect the proposed dissolution;
6. Within five (5) calendar days after the Effective Date, the Association's legal counsel must advise the Regional Director: (a) of the Effective Date; (b) of the amount of gross and net proceeds received by the Association from such sale; and (c) that the sale was consummated in accordance with all applicable laws and regulations, the Applications and this Order;
7. Within sixty (60) calendar days after the Effective Date, the following information must be submitted to the Regional Director: (a) a certification by the Association's legal counsel that all of the Association's identified and non-contingent liabilities, identified tax obligations, and obligations to all parties have been identified and satisfied, pursuant to the Plan; (b) a copy of the executed Liquidating Trust Agreement; (c) a description of the nature and amount of residual assets transferred to the Liquidating Trust; (d) a certification from the trustee of the Liquidating Trust as to the transfer of the residual assets to the Liquidating Trust; (e) a certification from the Association's board of directors or legal counsel that the dissolution has been conducted in compliance with the Plan; and (f) a certificate evidencing liquidation, supported by any additional evidence required by the Regional Director;
8. Within sixty (60) calendar days after the Effective Date, the Association must submit the following to the Regional Director: (a) the Association's original charter and any amendments; (b) the Association's current bylaws; and (c) a request that the Association's charter be canceled by OTS;

9. The Liquidating Trust Agreement must provide that the trustee will provide any reports or documents required by OTS; and
10. The trustee of the Liquidating Trust must file an annual report with the Regional Director that provides the Liquidating Trust's remaining balances and distributions for the previous year. The final report must be submitted at the end of the third year after the Effective Date, but no earlier than the date of distribution of 100 percent of the assets and the satisfaction of 100 percent of the liabilities.

Any time period specified herein may be extended by the Regional Director, for good cause, for up to 120 calendar days.

By order of the Director of the Office of Thrift Supervision, or his designee,
effective December 14, 2001.



Richard M. Riccobono
Deputy Director